



## Verslag ♦ Ingxelo ♦ Report

Kantoor van die Direkteur: Finansiële Dienste  
24 Maart 2017

5/1/1/1 – 2017/18

5/1/1/2 – 2017/18

5/1/4

### ITEM 4.2 VAN DIE AGENDA VAN 'N SPESIALE RAADSVERGADERING WAT GEHOU SAL WORD OP 30 MAART 2017

**ONDERWERP: A: 2017/2018; 2018/2019 EN 2019/2020 KONSEP MULTI-JAAR KAPITAAL EN BEDRYFSBEGROTING VIR DOELEINDES VAN PUBLIEKE DEELNAME**

**SUBJECT: A: 2017/2018; 2018/2019 AND 2019/2020 DRAFT MULTI-YEAR CAPITAL AND OPERATING BUDGETS FOR PURPOSES OF PUBLIC PARTICIPATION**

#### 1. BACKGROUND

Comprehensive workshops and engagements took place with the various directorates to ensure that effect is given to organisation wide quality sustainable service delivery in a bid to ensure value for money to all of Swarthland municipality's citizens. The objective in the main was to ensure efficiency in directorates and to more importantly give effect to expenditure consolidation and cost containment.

The budget steering committee had a final engagement on 22 March 2017 to consolidate and consider all the input and more importantly to provide an opportunity for the Chief Financial Officer to again workshop the Draft 2017/18 MTREF and to allow for a last round of considering the strategic objectives of council and ensuring that the budget is aligned to same. The Budget Steering Committee is comfortable to recommend this 2017/18 MTREF budget to the executive mayor for consideration at the envisaged mayoral committee meeting with a view of recommending same to council for purposes of tabling and giving effect to the legislative requirement of public participation.

The Budget Steering Committee recognises the impact and challenges experienced with the implementation of mSCOA and more specifically the fact that NT Circular 86 was only received on 11 March 2017. Due to the late receiving of this circular informing the Draft 2017-2018 MTREF, it was not possible to rework the MTREF principles in respect of the communicated new headline inflation figures and other principles.

#### 2. LEGISLATIVE RESPONSIBILITIES

##### 2.1 Section 16(2) : MFMA

"... the Mayor of the municipality must table the annual budget at a **Council meeting** at least 90 days before the start of the financial year."

##### Artikel 16(2) : MFMA

"... die Burgemeester van die munisipaliteit moet die jaarlikse begroting ten minste **90 dae** voor die aanvang van die begrotingsjaar by 'n **raadsvergadering** ter tafel lê."

##### 2.2 Section 24(1) : MFMA

"The municipal Council must at least **30 days** before the start of the budget year consider approval of the annual budget."

##### Artikel 24(1) : MFMA

"Die raad van 'n munisipaliteit moet ten minste **30 dae** voor die aanvang van die begrotingsjaar goedkeuring van die jaarlikse begroting oorweeg."

2.3 Section 160(2)(b) (c): Constitution

"The following functions may not be delegated by a Municipal Council:  
... the approval of budgets and tariffs."

Artikel 160(2)(b)(c): Grondwet

"Die volgende funksies mag nie deur die Munisipale Raad gedelegeer word nie:  
... die goedkeuring van begrotings en tariewe."

2.4 Section 160(3)(a) Constitution

"A majority of the members of a Municipal Council must be present before a vote may be taken on any matter."

Artikel 160(3)(a) Grondwet

"Dat die meerderheid Munisipale Raadslede teenwoordig moet wees voordat stemming geneem word oor enige saak."

3. **DOCUMENTATION**

- 3.1 Attached hereto (**Annexure A: 2017/18 – 2019/20 Draft Budget and Tariff File**) find the **DRAFT** Capital and Operating budget for 2017/2018 as prepared by the Chief Financial Officer, and the multi-year operating and capital budgets for 2018/2019 and 2019/2020.

3.2 **BUDGETS AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2017/2018 REFORMS**

Attached hereto (**Annexure B: Budget Report and A-Schedules 2017/18 – 2019/20**) find the prescribed budget reforms as prescribed by MFMA Circular No 86 in accordance with the regulations.

3.3 **OUTSTANDING DEBTORS**

**Annexure A** contains the outstanding debtors as at 28 February 2017.

3.4 **INVESTMENTS & EXTERNAL LOAN REGISTER**

**Annexure A** contains the Investments and External loan register as at 28 February 2017.

3.5 **BUDGET RELATED POLICIES**

Also attached hereto (**Annexure C: Budget Related Policies 2017/18**) find the **DRAFT** amended budget related policies, as well as by-laws where applicable:

Below is a list of the budget-related policies and by-laws indicating whether any amendments need to be approved by council:

Policy Name	Reviewed (Yes / No)	Amended (Yes / No)
Property Rates Policy and By-law	Yes	Yes
Tariff Policy	Yes	Yes
Credit Control and Debt Collection Policy and By-law	Yes	Yes
Indigent Policy	Yes	Yes
Cash Management and Investment Policy	Yes	No
Asset Management Policy	Yes	Yes
Fleet Management Policy	Yes	No

<b>Policy Name</b>	<b>Reviewed (Yes / No)</b>	<b>Amended (Yes / No)</b>
Supply Chain Management Policy	Yes	Yes
Preferential Procurement Policy	Yes	Yes
Virement Policy	Yes	Yes
Funding and Reserve Policy	Yes	No
Budget Implementation Policy	Yes	No
Debt and Borrowing Policy	Yes	No
Long Term Financial Planning Policy	Yes	No
Travel and Subsistence Policy	Yes	Yes
Unauthorised, Irregular or Fruitless and Wasteful expenditure	Yes	No

**NB:** The proposed amendments to the following policies will be dealt with elsewhere in the agenda due to the nature of the amendments:

- Supply Chain Management Policy
- Preferential Procurement Policy
- Property Rates Policy
- Credit Control and Debt Collection Policy

**NB:** The proposed amendments to the following by-laws are dealt with elsewhere in the agenda in terms of the prescripts of the By-laws relating to the Rules for the Conduct of Meetings.

- Property Rates By-law
- Credit Control and Debt Collection By-law

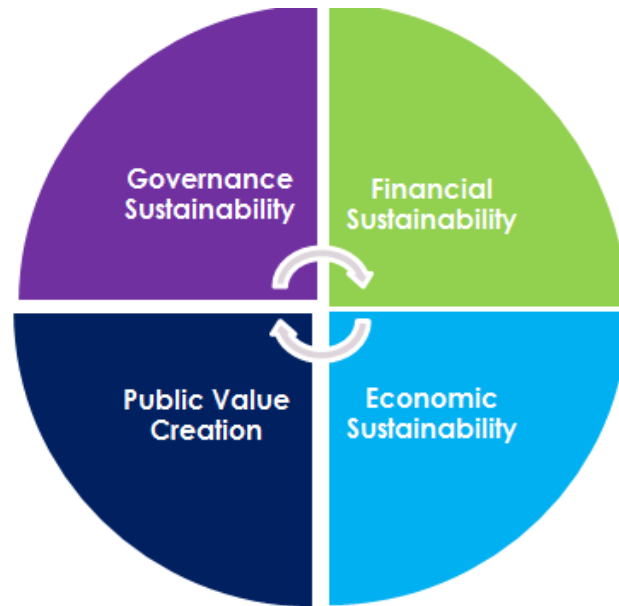
#### **4. AREAS COVERED DURING THE BUDGET STEERING COMMITTEE MEETING:**

- SA Economy and Inflation Targets
- Key focus areas of 2017-2018 Budget and process
- Revenue budget and Tariff increases
- Funding Choices and Management Issues
- Conditional Grant Transfers to SM, i.e Housing Allocation
- Expenditure Consolidation and growth from 2016-2017 to 2017-2018

To ensure compliance with the Budget and Reporting Regulations, the Budget Steering Committee indeed gave effect to their technical advisory role in strengthening local government finances at a final meeting that was held on 22 May 2017.

Apart from the aforementioned, the committee also made sure that the draft MTREF linked to the principles illustrated below:

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## 5. HIGH-LEVEL DISCUSSION / MOTIVATION

That the Executive Mayoral Committee recommends the approval of the draft capital and operating budgets, proposed amendments to the budget related policies, property rates, tariffs and other charges for the 2017/2018; 2018/2019 and 2019/2020 financial years to council.

### 5.1 CAPITAL BUDGET

The total draft capital budget for 2017/2018 amounts to **R 84 433** million and the total concept application of the capital over the three fiscal years will amount to **R 256 414** million.

The strategy with the exercise of tariff determination was to ensure that trade and economic services show at least a surplus over the next three years which was not always the situation in the past and to ensure that unnecessary expenses are eliminated.

### 5.2 OPERATING BUDGET

The operating expenditure budget will increase from **R 636 141** million to **R 664 505** resulting approximately in a **4.5%** increase only. The operating revenue budget will increase from **R 647 894** million to **R 681 697** million resulting in year on year growth of around **5.2%** only. The latter includes the operational national and provincial grants and it is clear from the aforementioned that this municipality considered the macro and micro economic environment in developing not only a balanced budget, but also one that took into account the pressures on disposable income levels of the paying public, the plight of the poor and the potential negative impact on future outstanding debt and payment levels.

*(NB: Council must take note that the final income and expenditure as reported in the A-schedules to National and Provincial Treasury will differ from the figures mentioned above, due to the fact that departmental charges are accounted for differently, however the end result in terms of the surplus and deficit remains unchanged)*

The total salary budget will increase from **R 183 679** million to **R 200 564** million to make provision for nationally determined annual adjustments in salaries and other benefits such as medical aid and pension contributions, which the municipality has no control over.

The indicative budgeted amounts are draft and tabled for purposes of allowing for public participation, soliciting of public comments during the month of April 2017 which will end at 12 midday on 2 May 2017, where after the Executive Mayor will table the final MTREF towards the end of May 2017;

That Council takes note that the operating budget does not include figures in respect of fixed and actual capital contributions and sale of land to enable the Director: Financial Services to meaningfully model and calculate the tariffs in respect of service accounts and rates;

That due to a lack of sufficiently generated internal funds, no provision could be made for the redemption shortage in respect of the overlapping of the redemption of loans to external banks and the life span of assets;

That Council takes note of the spiralling personnel costs, as follows:

- in respect of all personnel, excluding the Municipal Manager and section 56-appointments, an increase of **7.93%** for 2017/2018; **7%** for the 2018/2019 and 2019/2020 financial years, excluding the increase in other benefits that are applicable;
- Provision has been made for a **6%** increase for councillors;

In an effort to keep the municipal account affordable and to ensure financial sustainability, as well as to enhance the credibility of multi-year budgets, the average increase on households for the 2017/2018 financial year will be more or less between 4% and 10%.

The average increase in tariffs for 2017/2018 financial year is as follows:

Electricity	1.88% (as determined by NERSA)
Sewerage	6%
Refuse Removal	6%
Water	12% (in a bid to ensure that this service is delivered in a sustainable manner and the fact that the service need to generate surpluses to fund capital programs)

### Property Rates

The amendments to the Municipal Property Rates Act as it relates to the previously and current treatment of properties in Grotto Bay and Jakkalsfontein and certain properties in the Riebeek Valley, is very clear that Council can no longer allow for the phase-in of the rates payable and now have a duty to phase to tariff in to 100% as of 1 July 2017 and accordingly requires that council revisits its decision in this regards. **Also see the communication received from COGTA in this regard attached as Annexure E.**

It is proposed that financial assistance still be granted to registered indigent consumers as per the requirements of the Indigent Policy where the property occupied by such owner is valued at R95 000.00 or less, provided that the R15 000.00 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the R95 000.00 and the combined income of all the persons residing on the property not exceeding R4 515.00 which effectively means that property values of R115 000 would effectively be considered as qualifying for assistance subject to the income threshold which bodes well as it is incumbent on council to have programs and policies assisting the poorest of the poor.

### Electricity Tariffs

Nersa approved a 2.2% tariff increase for Eskom's direct clients as from 1 April 2017. Although the multi-year price determination made provision for an 8% increase, the increase was reduced as a result of a ruling of the Gauteng High Court disallowing Eskom compensation for previous year's under-recovery in terms of the regulatory clearing account. Both Eskom and NERSA have lodged appeals against this ruling. The Eskom tariff adjustment for municipalities as from 1 July 2017 was determined by NERSA by reviewing the effect of the 3 months clawback previously required by Eskom. Subsequently the nominal allowable tariff increase for municipal electricity tariffs for reselling as provisionally determined by NERSA, is 1.88%. Eskom however was afforded the opportunity to make representations before 5 April 2017 based on financial

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sustainability for a higher tariff increase, which if granted by NERSA, will necessitate an increased municipal tariff adjustment.

The proposed electricity tariff adjustments are therefore preliminary and may be revised upon receipt of the final tariff determination by NERSA, which is only expected during April 2017.

### Water Tariffs

Free 4kl water for households reduces to 3kl for the 2017/18 financial year.

Free 8kl water for equitable share households reduces to 7kl for the 2017/18 financial year.

***It is still required to still keep this tariff increase above the guideline tariff adjustment of 6.4 % as a result of the funded shortages realised and the requirement to ensure that surpluses are realised to fund future capital refurbishment and replacement.***

## 6. Recommendations by the Budget Steering Committee held on 22 March 2017, for consideration by the Executive Mayoral Committee on 22 March 2017.

- (a) That the draft multi-year capital and operating budgets with respect to the 2017/18 - 2019/20 financial years be approved, in accordance with sections 16 and 17 of the MFMA to allow for public participation;

	Original Budget 2016/2017	Second Adj Budget 2016/2017	Original Budget 2017/2018	Original Budget 2018/2019	Original Budget 2019/2020
Capital budget	R 74 689 669	R 81 428 433	R 84 443 120	R 87 695 064	R 84 275 813
Operating Expenditure	R 654 711 941	R 636 140 909	R 664 504 937	R 670 784 213	R 693 177 822
Operating Revenue	R 641 914 085	R 647 894 024	R 680 465 674	R 701 763 745	R 726 795 605
Budgeted Surplus/ (Deficit)	(R 12 797 856)	R 11 753 115	R 15 960 738	R 30 979 532	R 33 617 782
Capital Grants	R 34 048 649	R 35 348 649	R 34 971 450	R 37 737 000	R 23 724 000
Surplus/ (Deficit)	-R 46 846 505	-R 23 595 534	- R 19 010 712	-R 6 757 468	R 9 893 782

- (b) That council approve the proposed draft electricity tariffs for the 2017/2018 financial year, bearing in mind that it is still subject to NERSA's final approval;
- (c) That the draft property rates tariffs, tariff structures and charges for water, electricity, refuse removal, sewerage and other sundry charges as set out in **Annexure A** be approved for purposes of allowing for public participation;
- (d) That, with reference to the proposed amendments to the Property Rates By-law and Property Rates Policy as dealt with elsewhere on the agenda, it be noted and approval be granted by Council that the phasing out of the differential rates applicable to the so-called 'geographical areas' of Jakkalsfontein, Grotto Bay and Riebeeck Valley in terms of the present By-law and Policy are to be terminated, and that the full rate applicable to residential properties shall also be payable in respect of properties within these areas with effect from 1 July 2017, in order to comply with section 19(1)(a) of the Local Government: Municipal Property Rates Act, 2004 (as amended), which section prohibits the levying of differential rates on residential properties, except under specified circumstances;

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- (e) That, in view of the above, Council's resolutions of 26 May 2016 regarding the phasing-in of the residential property rates tariffs over a period of 7 years ( i.e until 2020-2021) in respect of Grotto Bay and Jakkelsfontein be revoked;
- (f) That notices to this effect be sent to the affected residents of Grotto Bay, Jakkelsfontein and Riebeek Valley to inform them that their properties will be rated at 100% of the residential property rates tariff with effect from 1 July 2017, in compliance with Section 19(1)(a) of the Local Government Municipal Property Rates Act;
- (g) That the draft annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **Annexure B**;
- (h) That the draft budget related policies as set out in **Annexure C**; be approved for purposes of public participation;
- (i) That the efforts made over and above the initiatives already implemented with regards to the MFMA Circular No. 82: Cost Containment Measures be noted in **Annexure D**;
- (j) That Council takes note that the review of the budget policies and more specifically the material changes to the Virement Policy were in the main influenced by the implementation of mSCOA from 1 July 2017;
- (k) That appropriate oversight mechanisms be implemented to monitor cost containment measures in order to comply with section 62 and 167 of the MFMA to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the local community.
- (l) That Council take note of the budgeted operating surpluses, the efforts to limit total expenditure growth to only 4,5% from the current to the new financial year, growth in revenue of only 5% in these hard economic times for the same period as well as the cash flow statement for the current as well as the next three financial years and more specifically the progress made in this regard;
  - the risk factor for cash coverage for operating expenses is **5.3 months** for 2017/2018, **5.2 months** for 2018/2019 and **5.7 months** for 2019/2020;
  - over the next three financial years the planning is such that the following operating surpluses are envisaged, 2017/2018 and amount of **R15 960 738**, 2018/2019 an amount of **R30 979 532** and 2019/2020 an amount of **R33 617 782**;
- (m) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury.

7. The above recommendations by the Budget Steering Committee were considered by the Executive Mayoral Committee on 22 March 2017 and approved without amendments and therefore it is

**RECOMMENDED** (for consideration by Council on 30 March 2017)

- (a) That the draft multi-year capital and operating budgets with respect to the 2017/18 - 2019/20 financial years be approved, in accordance with sections 16 and 17 of the MFMA to allow for public participation;

	Original Budget 2016/2017	Second Adj Budget 2016/2017	Original Budget 2017/2018	Original Budget 2018/2019	Original Budget 2019/2020
Capital budget	R 74 689 669	R 81 428 433	R 84 443 120	R 87 695 064	R 84 275 813
Operating Expenditure	R 654 711 941	R 636 140 909	R 664 504 937	R 670 784 213	R 693 177 822
Operating Revenue	R 641 914 085	R 647 894 024	R 681 697 053	R 703 068 713	R 728 180 695
Budgeted Surplus/ (Deficit)	(R 12 797 856)	R 11 753 115	R 17 192 117	R 32 284 500	R 35 002 873
Capital Grants	R 34 048 649	R 35 348 649	R 34 971 450	R 37 737 000	R 23 724 000
Surplus/ (Deficit)	-R 46 846 505	-R 23 595 534	- R 17 779 333	-R 5 452 500	R 11 278 873

- (b) That council approve the proposed draft electricity tariffs for the 2017/2018 financial year, bearing in mind that it is still subject to NERSA's final approval;
- (c) That the draft property rates tariffs, tariff structures and charges for water, electricity, refuse removal, sewerage and other sundry charges as set out in **Annexure A** be approved for purposes of allowing for public participation;
- (d) That, with reference to the proposed amendments to the Property Rates By-law and Property Rates Policy as dealt with elsewhere on the agenda, it be noted and approval be granted by Council that the phasing out of the differential rates applicable to the so-called 'geographical areas' of Jakkalsfontein, Grotto Bay and Riebeeck Valley in terms of the present By-law and Policy are to be terminated, and that the full rate applicable to residential properties shall also be payable in respect of properties within these areas with effect from 1 July 2017, in order to comply with section 19(1)(a) of the Local Government: Municipal Property Rates Act, 2004 (as amended), which section prohibits the levying of differential rates on residential properties, except under specified circumstances;
- (e) That notices to this effect be sent to the affected residents of Grotto Bay, Jakkalsfontein and Riebeeck Valley to inform them that their properties will be rated at 100% of the residential property rates tariff with effect from 1 July 2017, in compliance with Section 19(1)(a) of the Local Government Municipal Property Rates Act;
- (f) That the draft annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **Annexure B**;
- (g) That the draft budget related policies as set out in **Annexure C**; be approved for purposes of public participation;
- (h) That the efforts made over and above the initiatives already implemented with regards to the MFMA Circular No. 82: Cost Containment Measures be noted in **Annexure D**;
- (i) That Council takes note that the review of the budget policies and more specifically the material changes to the Virement Policy were in the main influenced by the implementation of mSCOA from 1 July 2017;
- (j) That appropriate oversight mechanisms be implemented to monitor cost containment measures in order to comply with section 62 and 167 of the MFMA to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the local community;



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- (k) That Council take note of the budgeted operating surpluses, the efforts to limit total expenditure growth to only 4,5% from the current to the new financial year, growth in revenue of only 5% in these hard economic times for the same period as well as the cash flow statement for the current as well as the next three financial years and more specifically the progress made in this regard;
- the risk factor for cash coverage for operating expenses is **5.3 months** for 2017/2018, **5.2 months** for 2018/2019 and **5.7 months** for 2019/2020;
  - over the next three financial years the planning is such that the following operating surpluses are envisaged, 2017/2018 an amount of **R17 192 117**, 2018/2019 an amount of **R32 284 500** and 2019/2020 an amount of **R35 002 873**;
- (l) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury.
- (m) That Council take note that the budget was also prepared in the mSCOA format as required by National Treasury.

7. Die aanbeveling deur die Begrotingsbeheerkomitee is deur die Uitvoerende Burgemeesterskomitee gehou op 22 Maart 2017 oorweeg en – sonder wysiging – aanvaar, en word derhalwe

**AANBEVEEL** (vir oorweging deur die Raad op 30 Maart 2017)

- (a) Dat die meerjarige kapitaal- en bedryfsbegrotings ten opsigte van die 2017/18 – 2019/20 finansiële jare vir goedkeuring aanbeveel word, ingevolge artikels 16 en 17 van die MFMA om die publieke deelnameproses te deurloop:

	Oorspronklike Begroting 2016/2017	Tweede Aan- suiwerings- begroting 2016/2017	Oorspronklike Begroting 2017/2018	Oorspronklike Begroting 2018/2019	Oorspronklike Begroting 2019/2020
Kapitaalebegroting	R 74 689 669	R 81 428 433	R 84 443 120	R 87 695 064	R 84 275 813
Bedryfsuitgawes	R 654 711 941	R 636 140 909	R 664 504 937	R 670 784 213	R 693 177 822
Bedryfsinkomste	R 641 914 085	R 647 894 024	R 681 697 053	R 703 068 713	R 728 180 695
Begrote Surplus/(Tekort)	(R 12 797 856)	R 11 753 115	R 17 192 117	R 32 284 500	R 35 002 873
Kapitaal Toekennings	R 34 048 649	R 35 348 649	R 34 971 450	R 37 737 000	R 23 724 000
Surplus/(Tekort)	-R 46 846 505	-R 23 595 534	- R 17 779 333	-R 5 452 500	R 11 278 873

- (b) Dat die Raad goedkeuring verleen vir die voorgestelde konsep elektrisiteitstariewe vir die 2017/18 finansiële jaar, met inagneming daarvan dat dit onderhewig is aan finale goedkeuring deur NERSA;
- (c) Dat die konsep eiendomsbelastingstariewe, tariefstrukture en heffings vir water, elektrisiteit, vullisverwydering, riool en ander diverse heffings soos uiteengesit in **Aanhangsel A** goedgekeur word vir doeleindes van die publieke deelnameproses;
- (d) Dat, met verwysing na die voorgestelde wysigings aan die Verordening insake Eiendomsbelasting en die Eiendomsbelastingsbeleid, soos elders in die agenda voorgelê, kennis geneem en goedkeuring verleen word dat die uifasering van gedifferensieerde belasting soos van toepassing op die sogenaamde “geografiese areas” van Jakkalsfontein, Grottoabaai en Riebeek Vallei in terme van die bestaande

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verordening en beleid beëindig word. Dat verder dus goedkeuring verleen word dat die volle eiendomsbelastingstarief soos van toepassing op residensiële eiendomme met ingang van 1 Julie 2017 op eiendomme in voormelde areas gehef sal word, om te voldoen aan artikel 19(1)(a) van die Plaaslike Regering: Eiendomsbelastingswet, 2004 (soos gewysig), wat bepaal dat die heffing van gedifferensieerde tariewe op residensiële eiendomme verbied word, behalwe onder gespesifiseerde omstandighede;

- (e) Dat 'n kennisgewing in voormelde verband uitgestuur word aan die geaffekteerde inwoners van Grottobaai, Jakkalsfontein en Riebeek Vallei om hulle in kennis te stel dat hul eiendom teen 100% van die residensiële tarief met ingang van 1 Julie 2017 gehef sal word, ten einde te voldoen aan artikel 19(1)(a) van die Plaaslike Regering: Eiendomsbelastingswet;
- (f) Dat die jaarlikse begrotingstabelle soos vereis deur die Begrotings- en Rapporteringsregulasies en uiteengesit in die tabelle in **Aanhangsel B**, goedgekeur word;
- (g) Dat die begrotingsverwante beleide soos vervat in **Aanhangsel C**, goedgekeur word vir doeleindes van die publieke deelnameproses;
- (h) Dat, bo en behalwe die inisiatiewe reeds geïmplementeer met verwysing na MFMA Omsendbrief Nr 82: *Cost Containment Measures*, kennis geneem word van die verdere pogings om uitgawes te beperk soos vermeld in **Aanhangsel D**;
- (i) Dat die Raad kennis neem van die hersiening van die begrotingsverwante beleide, en meer spesifiek die wesenlike wysigings aan die Verimentbeleid as gevolg van die invloed van die mSCOA-implementering met ingang van 1 Julie 2017;
- (j) Dat toepaslike oorsig meganismes ingestel word om besparingsmaatreëls te monitor, ten einde te voldoen aan artikel 62 en 167 van die MFMA om te verseker dat redelike stappe geneem word vir die effektiewe, doeltreffende en ekonomiese gebruik van openbare hulpbronne en in die beste belang van die plaaslike gemeenskap;
- (k) Dat die Raad kennis neem van die begrote bedryfsurplusse, die pogings om die totale verhoging in uitgawes tot slegs 4,5% vanaf die huidige tot die nuwe finansiële jaar te beperk, groei in inkomste van slegs 5% in hierdie moeilike ekonomiese omstandighede vir dieselfde periode, sowel as die kontantvloei-staat vir die huidige sowel as die volgende drie finansiële jare en meer spesifiek die vordering in hierdie verband;
  - die risikofaktor vir kontantdekking vir bedryfsuitgawes is **5.3 maande** vir 2017/2018; **5.2 maande** vir 2018/2019 en **5.7 maande** vir 2019/2020;
  - oor die volgende drie finansiële jare is die beplanning van so 'n aard dat die volgende bedryfsurplusse verwag word – 2017/2018 'n bedrag van **R17 192 117**; 2018/2019 'n bedrag van **R32 284 500** en 2019/2020 'n bedrag van **R35 002 873**;
- (l) Dat die Direkteur: Finansiële Dienste voldoen aan die vereistes van die Begrotings-omsendbriewe en –formate in die konteks van die verslagdoeningsvereistes aan Provinsiale en Nasionale Tesourie.
- (m) Dat die Raad kennis neem dat die begroting ook opgestel is in die mSCOA formaat soos vereis deur Nasionale Tesourie.

(get) H Papier

**DIREKTEUR: FINANSIËLE DIENSTE**